

| <i>Tab</i> | <i>Action</i> | <i>Option</i> | <i>Version</i> |
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| 56 | 2 | A | 1 |

Budget Action description:

This action would appropriate \$250,000 from HSD’s unreserved fund balance to mitigate the impact of minimum wage increases for human services providers under contract to the City in 2015.

Pursuant to Seattle Municipal Code Section 5.08, the Budget Director may transfer appropriations as necessary to other BCLs within HSD from which contracts are paid, subject to a limit on the percentage of the transfer relative to the size of the BCL into which the transfer is made and a cumulative net limit on the transfer of \$500,000. These limitations should not impact the ability of CBO to allocate the increased appropriation among HSD BCLs.

Background

In June the Council passed Ordinance 124490, which establishes a new hourly minimum wage for most employers with employees that work in Seattle. Ordinance 124490 sets out a schedule for minimum wage increases that begins on April 1, 2015. There are no exceptions to minimum wage requirements for non-profit employers. For the biennium, the required minimum wage or minimum compensation, whichever is higher, is shown in the table below

| | Beginning April 1, 2015 | Beginning January 1, 2016 |
|---|-------------------------|---------------------------|
| <i>Employers with More than 500 Employees</i> | \$11 / hour | \$13 / hour* |
| <i>Employers with 500 or Fewer Employees</i> | \$11 / hour | \$12 / hour |

*Large employers that provide healthcare are given a \$.50 credit in 2016.

Many non-profit human services providers that contract with the City currently pay some of their employees less than the required minimum wage that will be applicable on April 1, 2015. Consequently, many of these providers will struggle to maintain delivery of services at current levels, which is driven for most by staffing costs, without increased revenue.

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Budget Action Transactions

Budget Action Title: Increase appropriation to HSD to mitigate impact of minimum wage increases on human services providers.

| # | Transaction Description | Position Title | Number of Positions | FTE | Dept | BCL or Revenue Source | Summit Code | Fund | Year | Revenue Amount | Expenditure Amount |
|---|---|----------------|---------------------|-----|------|----------------------------------|-------------|-------|------|----------------|--------------------|
| 1 | Increase use of fund balance to offset minimum wage increase. | | | | HSD | Fund Balance | 379100 | 16200 | 2015 | \$250,000 | |
| 2 | Increase appropriation in the Community Support and Assistance BCL to offset minimum wage increase. | | | | HSD | Community Support and Assistance | H30ET | 16200 | 2015 | | \$250,000 |